

ORIGINAL

DOCKET # 98-148 ORIGINAL

BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON D C 20554

SEP 16 1998

In the Matter of

1998 Biennial Regulatory Review –  
Reform of the International Settlements  
Policy and Associated Filing Requirements

IB Docket No. 98-148

Regulation of International  
Accounting Rates

CC Docket No. 90-337

COMMENTS OF RSL COM U.S.A., INC.

RSL COM U.S.A., Inc. ("RSL USA"), by its attorneys and pursuant to Sections 1.415 and 1.419 of the Commission's rules, 47 C.F.R. §§ 1.415 and 1.419, hereby submits its Comments on the Commission's Notice of Proposed Rulemaking ("NPRM") in the above-captioned proceeding. For the reasons set forth below, RSL USA generally applauds the Commission's efforts to eliminate unnecessary regulatory burdens in its International Settlements Policy ("ISP") and supports their adoption.

Background. RSL USA is a rapidly growing telecommunications carrier which provides a broad array of international and domestic telephone services to carriers, commercial accounts and residential users across the United States. By itself and through its operating subsidiaries, it provides international telecommunications services pursuant to Section 214 of the Communications Act of 1934, as amended, as both a reseller and facilities-based carrier. RSL USA also provides intrastate, interexchange telecommunications services throughout the continental United States and Hawaii

0410

pursuant to applicable state authorizations.

The parent corporation of RSL USA is RSL Communications, Ltd. ("RSL Ltd."). Since its founding four years ago, RSL Ltd. has grown rapidly through a series of acquisitions, strategic investments and joint ventures, as well as through the start-up of its own operations, and the Company today provides a full range of telecommunications services in several major international markets including the United States, France and Germany. RSL Ltd.'s strategic objective is to create a low-cost facilities-based global network that provides high quality international telecommunications services to small and medium-sized businesses in key markets. Through a "first to market" entry strategy, RSL Ltd. seeks to establish a presence in targeted markets ahead of full deregulation by (i) investing in new or existing facilities-based networks (which are then integrated into the Company's existing network) while (ii) developing multiple marketing and distribution channels for telecommunications services.

The Commission's Initiative. RSL USA generally applauds the proposals set forth in the NPRM and supports their adoption. In no small measure, RSL USA and numerous other international carriers owe their rapid growth to the Commission's ongoing efforts over recent years to promote competition in international markets, reduce rates for the provision of telecommunications services, and to eliminate unnecessary regulatory burdens. Through the Commission's leadership, companies such as RSL USA and its parent have been able to commence operations in numerous foreign markets, expand their service offerings, and reduce rates for subscribers. The initiatives in the Commission's NPRM would effectively advance those public interest benefits and promote still further growth

and competition in the international telecommunications marketplace.

In this connection, RSL USA specifically supports the Commission's proposal to refrain from applying the ISP to arrangements (1) between U.S. carriers and foreign carriers that lack market power in WTO member countries; and (2) with foreign carriers in WTO member countries to which U.S. carriers are authorized by the Commission to provide ISR, and to exempt U.S. carriers from filing contracts and accounting rate information under such circumstances. RSL concurs with the Commission that the retention of the ISP and related filing requirements to carriers in such instances is unnecessary, given the existence of competitive alternatives, and potentially counter-productive.

For the same reasons, RSL USA also supports the Commission's proposal to modify its Flexibility Policy for alternative settlement arrangements<sup>1</sup> by allowing carriers to withhold a summary of the terms of their agreements, and the identity of foreign correspondents, for arrangements affecting less than 25% of the traffic on a particular route, and for arrangements that are not between affiliated carriers or carriers involved in a joint venture. Finally, RSL USA generally supports the tentative decisions by the Commission to retain competitive safeguards in those cases where viable competitive alternatives do not exist and where the potential for market abuse remains present. See, e.g., NPRM, ¶¶ 17, 34


---

<sup>1</sup> Regulation of International Accounting Rates, CC Docket No. 90-337, Phase II, Fourth Report and Order, 11 FCC Rcd 20,063 (1996).

WHEREFORE, RSL COM U.S.A., Inc. urges the Commission to adopt the initiatives proposed in its NPRM as set forth above

Respectfully submitted

RSL COM U.S.A., Inc.

By:   
Eric Fishman  
Fletcher, Heald & Hildreth, PLC  
1300 North 17<sup>th</sup> Street  
11<sup>th</sup> Floor  
Arlington, VA 22209  
(703) 812-0400

September 16, 1998

## CERTIFICATE OF SERVICE

I, Eric Fishman, hereby certify that a copy of the foregoing Comments of RSL COM U.S.A., Inc., was sent this 16<sup>th</sup> day of September 1998, via first class United States mail, postage prepaid, to the following:

Donna Christianson  
International Bureau  
Federal Communications Commission  
2000 M Street, NW  
Room 836  
Washington, DC 20554

A handwritten signature in cursive script, appearing to read "Eric Fishman", written over a horizontal line.

Eric Fishman